



September 2017

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Do you need to lodge your tax return early?



If you are planning to permanently move out of the country before the end of this financial year, you may be able to have your tax return lodged early. Generally, the ATO only accepts early lodgement of individual tax returns in certain circumstances.

If you are a resident of Australia for tax purposes, returns lodged before the end of the financial year will be accepted if you are leaving Australia, will cease to be a resident of Australia for tax purposes, and you won't be deriving any Australian sourced income (excluding interest, dividends and royalty income). The same applies to those who are already *not* a resident for tax purposes.

If you will still receive Australian sourced income – besides interest, dividends and royalties – after leaving Australia, you will be required to lodge your return in the usual tax time period (that is, from July 1). The same applies if you have a Higher Education Loan Program (HELP) or Trade Support Loan (TSL) debt, and of course if you are *not* leaving Australia permanently. And don't forget that using the services of this firm

also gives you access to extensions of time to lodge (ask us about this if relevant).

Note that refunds of franking credits may only be claimed by people who were Australian residents for tax purposes at the time the related dividend was received.

If you meet the eligibility requirements to be able to lodge an early return, you need to:

- collect payment summaries from each of your employers along with any other details regarding income earned while in Australia (payslips are not sufficient as they may not contain final payment details)
- contact the ATO (or have us do that for you) to talk about any outstanding debts, and lodging of any tax returns for earlier years
- consider any recent legislative changes (which we can help you with) that may affect your circumstances when preparing your early return.

Working holiday makers (that is, people on a 417 or 462 visa) who intend to lodge before the end of the current income year will need to supply additional information to help ensure the ATO arrives at the correct outcome due to the changes in the law from January 1, 2017. This includes a note showing income earned from July 1, 2016 to December 31, 2016, any working holiday maker income earned from January 1, 2017 to June 30, 2017, and any deductions associated with those income periods. There is no need to lodge two separate tax returns.

And if you are overseas during the timeframe for lodging your return, but will continue to be an Australian resident for tax purposes or will keep earning Australian sourced income, you can have our firm lodge on your behalf.

Important: Clients should not act solely on the basis of the material contained in Client Alert. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. Client Alert is issued as a helpful guide to clients and for their private information. Therefore, it should be regarded as confidential and not be made available to any person without our prior approval.